

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 1916 – HB 1420

April 6, 2010

SUMMARY OF AMENDMENT (016535): Deletes the definition of “board” from the original bill and replaces each occurrence with “commissioner” wherever it appears. Changes the effective date of the bill from January 1, 2010, to January 1, 2011. Requires the Commissioner of Commerce and Insurance to consider all operating cost reductions that are suggested by the advisory committee in establishing recurring or nonrecurring fees. Authorizes the Commissioner to appoint a five-member advisory committee to be administratively attached to the Division of Regulatory Boards. The members of this committee will not receive payment or reimbursement of travel expenses.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$81,800/One-Time/Board of Examiners of Land Surveyors
\$144,000/Biennially/Beginning FY11-12/Board of Examiners
of Land Surveyors
Increase State Expenditures - \$9,800/One-Time/Board of Examiners of Land Surveyors
\$72,000/Recurring/Board of Examiners of Land
Surveyors
Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On April 6, 2010, we issued a fiscal memorandum reflecting an *increase in state revenue of \$117,300 for FY10-11 and an increase of \$137,800 biennially beginning FY12-13 for the Board of Examiners of Land Surveyors, an increase in state expenditures of \$48,400 for FY10-11 and an increase of \$68,900 biennially beginning FY 12-13 for the Board of Examiners of Land Surveyors, a not significant increase in local revenue and a not significant increase in local expenditures.* After further review, it was determined that the increase in expenditures after FY10-11 should begin in FY11-12 and be recurring thereafter rather than biennially beginning in FY12-13. The fiscal impact of this memorandum is as follows:

(CORRECTED)

**Increase State Revenue - \$117,300/FY10-11/Board of Examiners of Land Surveyors
\$137,800/Biennially/Beginning FY12-13/Board of Examiners
of Land Surveyors**

SB 1916 – HB 1420 (CORRECTED)

**Increase State Expenditures - \$48,400/ FY10-11/Board of Examiners of Land
Surveyors
\$68,900/ FY11-12 and Subsequent Years/Board of
Examiners of Land Surveyors**

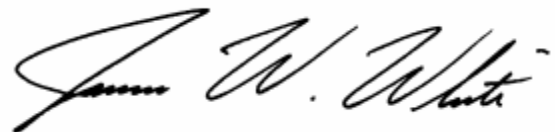
**Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant**

Assumptions applied to amendment:

- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. As of June 30, 2009, the Board had a positive balance of \$16,096.37.
- According to the Department of Commerce and Insurance, the Board of Examiners of Land Surveyors will require one position for the processing of applications, issuance of licenses, confirmation of initial and continuing education requirements, and compliance inspections. The one-time increase in expenditures is estimated to be \$14,000 (\$1,000 computer costs + \$2,000 office landscaping + \$5,000 computer programming modifications + \$1,000 for modifications + \$5,000 rule making hearing).
- The recurring increase in state expenditures is estimated to be \$68,882 (\$37,300 salary + \$12,682 benefits + \$14,200 administration + \$1,700 office lease + \$1,000 communication and supplies + \$2,000 network and computer replacement fees). Given the January 1, 2011, start date of the bill, the increase in expenditures for FY10-11 is estimated at 50 percent or \$34,441.
- Fees will be established by the Board of Examiners of Land Surveyors to cover all expenditures.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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